

ICPS newsletter®

Administrative reform: Government stalls, ICPS holds public talks

Administrative reform has been in the planning for many years in Ukraine. Back in 1998, the Cabinet approved the Concept for administrative reform, but it was not successfully carried out. According to the International Centre for Policy Studies, the lack of an effective feedback mechanism capable of attracting a broad circle of stakeholders to the planning of reforms and their successful implementation was a major drawback in the reform process. To overcome this problem, ICPS has been implemented the "Policy Consultations on Public Administration Reform" project over the last six months

Working to increase public awareness

The main goal of this project was to promote administrative reform by increasing public awareness about this reform and building support among key stakeholders. To reach this objective, the Centre provided support to the National Council on Public Administration and Local Government (NCPALG)¹ to organize and hold consultations with stakeholders.

In addition to specialists from ICPS, the Centre for Political and Legal Reforms and the NCPALG, the project included specialists from the Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (GTZ), which funded this project, and local consultants on administrative reform, public finance, policy analysis, and public consultations.

Two Green Papers were prepared specifically for this public debate: "Public Administration Reform in Ukraine at the Central Level" and "Public Administration Reform in Ukraine at the Local and Regional Levels." The documents present the Council's position on administrative reform issues that need to be solved, their causes and possible ways to alleviate problems.

Consultations reveal common positions

Public consultations constituted one of the most important components of this project. To elicit various opinions on these Green

Papers and different positions on the implementation of administrative reform, all stakeholders were invited to participate in this debate: government, business and civil society.

Dialog was in the form of public discussions and written feedback. The live discussions took the form of brainstorming, where every participant was able to present an opinion on each issue.

As to the written consultations, the initial Green Papers were sent to specific stakeholders, primarily to central and local executive bodies and local government officials, along with a request to provide written responses to certain questions and additional comments at their discretion.

At the public discussions, stakeholders voiced a variety of approaches to timeframes and ways of implementing administrative reforms and often even mutual complaints. Nevertheless, all stakeholders agreed upon six points:

- administrative reform should improve the services the state provides to the public;
- the unreformed soviet administrative machine cannot guarantee sustainable economic growth;
- the essence of administrative reform is to improve administrative and financial management in the public sector;
- the separation of political posts in executive bodies from administrative ones

ICPS is among 100 top think-tanks in the world!

In a list compiled by the Foreign Policy Research Institute, ICPS was among 100 top think-tanks in the world and the 19th best-known think-tank in Eastern Europe. The Foreign Policy Research Institute is an independent, non-profit organization engaged in international relations research and training.

This is not the first time international institutions have given ICPS high marks. The Global Development Network recognized the Centre as the most successful think-tank in Ukraine in 2005.

By the way...

- ICPS is launching a series of analytical seminars for employees and partners of the Centre. These seminars will take place twice a month. On 26 January, ICPS Director Volodymyr Nikitin held the first seminar, covering the key training objectives and the first issue of the seminar, mega-trends. Participants in this seminar were the Centre's experts and Honorary Chair of the ICPS Supervisory Board Vira Naniivska. The next seminar will take place on 9 February.
- On 21 January in an interview to InvestGazeta, a newspaper, Economic Research and Publications Director Oleksiy Blinov said that Ukrainian companies are only beginning to feel the need for forecasts. Mr. Blinov says this is related to the formation of medium-term and long-term development plans and a new philosophy of business. In recent years, ICPS has been seen double-digit annual growth in its client base of at least 20% annually. So far, banks are the most interested in forecasts.

¹ The National Council on Public Administration and Local Government is the new name of the National Council on State Building, Local Government and Regional Development. It was officially renamed in a 3 May 2006 Presidential Decree. One of the members of the National Council is former ICPS Director and currently Honorary Chair of the ICPS Supervisory Board Vira Naniivska.

will make it possible to prepare, adopt and implement better policy;

- bringing government services closer to consumers will help improve quality and meet consumer needs;
- transferring a greater share of powers and resources to the local level is necessary for the regions to actualize their potential.

Participants in these consultations identified five areas for decentralization that need to be more thoroughly studied in terms of division of power, procedures, institutional structures, and resources:

1. Taxes and budgets. Providing local authorities with enough financial resources and identifying ways to improve the collection and administration of local taxes;
2. The territorial unit system;
3. Administrative services;
4. Non-administrative services (healthcare, education, culture, and social services);
5. Housing and residential services, land and community property, and construction.

Administrative reform:

What might upset people?

Today, both politicians and experts use different terms—"administrative reform" and "administrative and territorial reform"—and they also understand the relationship between them differently. ICPS fellow specialists from the Centre for Political and Legal Reforms say that administrative reform needs to include: (1) institutional reform, that is, changes in the system and structure of executive bodies; (2) civil service reform; (3) municipal reform, including the reform of the administrative and territorial system; (4) the institution of regional government; and (5) change in relations between public administration² and the public, and so on.

Only such a comprehensive approach is likely to lead to serious positive results.

The need to implement administrative reform has long been recognized both in professional circles and in political ones. To speak about Ukraine's democratic transformation without this reform is otherwise a waste of time and efforts.

The part of administrative reform that is related to public sector management, the reform of the civil service and the separation of political and administrative positions, is unlikely to stir any response in the society, no matter what kind of reform is implemented. Here, the key players are the political forces competing for power and the civil servants who will be affected by reform.

The reform of the territorial system and local government, on the other hand, which is an integral component of administrative and territorial reform, could definitely raise a negative reaction.

Increasing the basic governing unit could improve the quality of public services, as many western countries have undergone this kind of transformation. However, voters are generally hostile to changes in territorial borders.

Although administrative reform is broadly discussed in the media, there is no clear understanding what specific problems it must resolve and how it can be implemented.

Conclusions: Steps that are needed immediately

1. Building a broad vision among the leadership. Administrative reform is suffering in Ukraine from lack of consensus among top government officials. The change in the Government that took place during the course of this project resulted, among others, the withdrawal of the reform of public administration from the Cabinet's priority "to do" list.

The country's new Government and other political leaders offer different opinions in their public speeches on the various issues of administrative reform at the central and local levels. At the same time, nothing is being done either to prepare for the reform or to hold consultations on it.

ICPS specialists are convinced that one of the objectives in further projects must be to develop consensus among the country's leadership on a vision of the problems that call for attention, possible solutions, the cost and mechanisms for implementation, and the impact of these changes.

2. Increasing the scale of public consultations.

The application of public policy procedures was so far limited by the scale of this pilot project. As a result, it did not have an immediate impact as concerns stakeholder participation and depth of the positions expressed. On one hand, this can be attributed to the general lack of experience in applying the public policy procedures in Ukraine. On the other, stakeholder activity and the depth of participation differs greatly between Kyiv and regions. Some aspects of administrative reform that are taken for granted among experts and officials in Kyiv enjoy neither understanding nor support among stakeholders in the regions.

This points to the need for a larger scale of public consultations on administrative reform. It also indicates that the preparation process and consultations are likely to take a couple of years. ■

ICPS and the Centre for Political and Legal Reforms implemented this project for the National Council on Public Administration and Local Government with the financial support of the Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (GTZ).

For additional information, contact ICPS specialist Andriy Beha by e-mail at abega@icps.kiev.ua or Ihor Shevliakov by e-mail at ishevliakov@icps.kiev.ua or by telephone at (380-44) 484-4400.

LGI Russian Language Fellowship Program

ICPS with the support of the Local Government and Public Service Reform Initiative of the Open Society Institute is pleased to announce the continuation of the LGI Policy Fellowship Program for Russian-speaking experts. The deadline for submitting applications is March 1, 2007. The topic is "Improving Public Service Delivery to Low-Income Groups at the Local Level."

LGI annually selects talented professionals to participate in its one-year multinational Fellowship program. Fellows are generally selected from among representatives of governments, advocacy groups or professional associations, and policy centers.

The Russian language program is open to experts from all former soviet republics, except for the Baltic States, which are now part of the European Union. In 2006, LGI launched its first ever fellowship program for Russian-speaking experts. Like LGI's long-standing English-language fellowship program, it aims to support practical policy reform in the region, build the capacities of talented individuals who are well placed to influence policy, establish networks of multinational experts, and support the mission of LGI.

For details, visit <http://icps.com.ua/eng/info.html?nid=35>.

icps newsletter is a weekly publication of the International Centre for Policy Studies, delivered by electronic mail.

To be included in the distribution list, contact the ICPS publications department at marketing@icps.kiev.ua or call (380-44) 484-4400.

icps newsletter editor Olha Lvova (olvova@icps.kiev.ua). Phone: (380-44) 484-4400.

English text editor L.A. Wolanskyj. Articles may be reprinted with ICPS consent. **icps newsletter** on the web: <http://newsletter.icps.kiev.ua>

² Here, "public administration" is understood as the aggregate of government bodies and local governments.